



Date: 23 June 2023

Key Notes

- An average of **~8 532 containers** was handled per day, with **~9 737 containers** projected for next week.
- Rail cargo handled out of Durban amounted to **2 932** containers, **↑37%** compared to last week.
- Cross-border queue times were **↑0,7 hours** (w/w), with transit times **↓2,1 hours** (w/w); SA borders increased by more than **four hours** – averaging **~17,5 hours** (**↑32%**, w/w).
- According to the Bloomberg "*Trade Tracker*", trade remains subdued, with six indicators below normal.
- Global container rates decreased again significantly this week, falling **↓3,5%** (or **\$56**) to **\$1 536** per 40 ft.
- The gap between global air cargo tonnages in 2022 and 2023 has narrowed to just **↓4%** in June.

i. Port operations - General

- Port operations this week were characterised by adverse weather, persistent equipment breakdowns and shortages, vessel ranging, and load-shedding.
 - Adverse weather conditions and vessel ranging persisted in Cape Town during the earlier stages of the week but subsided somewhat later.
 - Subsequently, backlogs were mostly cleared, and the port was removed from the "Port Congestion Watch".
 - The shore tensioning units at the Port of Cape Town were previously installed permanently at berths 602 and 604, but the utilisation of these units will change soon.
 - The latest reports from TNPA in the Eastern Cape region suggest that berth D100 at NCT is available for TPT to use.
 - The Moormaster and its units are out of commission but not the berth. Additionally, a minor incident, unrelated to cable theft and vandalism, occurred during the 24 hours leading up to Wednesday as a train hook-up delayed operations for approximately three hours.

ii. Port operations – Performance metrics

- CTCT stack occupancy for GP containers was **37%**, reefers **72%**, and empties **46%**.
- CTCT handled **~1 474** (**↓3%**, w/w) containers a day, with an increased average of **~1 892** projected this week; however, that is unlikely to happen given the backlog and persistently poor weather.
- DCT Pier 1: Stack occupancy was **41%** for GP containers, with **938** imports on hand.
- DCT Pier 2: Stack occupancy was **43%** for GP containers and **62%** for reefers, with **41%** of reefer plug points utilised.
- DCT Pier 1 handled **~1 136** (**↓11%**, w/w) containers a day, with an increased average of **~1 416** projected this week.
- DCT Pier 2 handled **~3 921** (**↑15%**, w/w) containers a day, with an increased average of **~4 132** projected this week.
- Average TTT for DCT Pier 1 this week: **68 minutes** (**↓31%**, w/w).
- Average TTT for DCT Pier 2 this week: **68 minutes** (**↓8%**, w/w), with a staging time of **105 minutes** (**↑128%**, w/w).
- In the last week (17 to 23 June), rail cargo handled out of Durban was reported at **2 932** containers, up by **↑37%** from the previous week's **2 173** containers.

**iii. Local and cross-border road:**

- In regional cross-border road freight trade, average queue and transit times decreased on average this week. However, South African border crossing times increased by more than **four hours** – averaging **~17,5 hours (↑32%, w/w)**.
 - In contrast, the greater SADC region (excluding South Africa) experienced a significant decrease – by **three hours**, averaging **~13,7 hours (↓18%, w/w)**.
 - Several SADC land borders took – on average – more than a day to cross, including Beitbridge, Groblersbrug, Kasumbalesa (the worst affected, with crossings taking two-and-a-half days!), Katima/Mulilo, Oshikango, and Santa Clara.
 - Further delays came in the form of **(1)** a new scanner creating an eight-day long queue to Kasumbalesa, **(2)** typical challenges at Groblersbrug extended the queue to **2,6 km** from the border last week, and **(3)** charging of random toll fees by town councils in Zambia further adding to the NTBs for regional trade.
- In summary, cross-border queue time has averaged **~14,7 hours** (up by **~0,7 hours** from the previous week's **~14 hours**), indirectly costing the transport industry an estimated **\$33 million (R577 million)**. Furthermore, the week's average cross-border transit times hovered around **~14,2 hours** (down by **~2,1 hours** from the **~16,4 hours** recorded in the previous report), at an indirect cost to the transport industry of **\$18 million (R324 million)**. As a result, the total indirect cost for the week amounts to an estimated **~R901 million** (up by **~R48 million** or **↑6%** from **R854 million** in the previous report).

iv. Global supply chains

- Following on from last week's narrative brought about the GEP "*Global Supply Chain Volatility Index*" indicating that global suppliers have the most significant spare capacity since the height of the COVID-19 pandemic¹, the Bloomberg "*Trade Tracker*" shows that trade flows are struggling to sustain a meaningful resurgence².
 - Six of the ten indicators on the Bloomberg index remained in the below-normal range in mid-June, regressing to its prior level after a slight improvement in May

v. Global shipping industry

- Throughput volumes in the global container industry remain weak. The capacity on offers continues to significantly outweigh the current demand, as new tonnage added (a new record high of **256 000 TEU** over the last four weeks) is not offsetting the removed capacity (with deletions of just **15 680 TEU** over the same period)³.
- Meanwhile, the idle fleet continues to shrink to just **100 000 TEU** (a mere **0,4%** of supply) compared to **~1 million TEU** inactive in February.
- These figures are corroborated by Drewry's "*Cancelled Sailings Tracker*", continuing to trend around a **5% cancellation rate**⁴.
- Furthermore, port congestion remains relatively low (**1,68 million TEU, ↓5%, w/w**).
- The microcarriers' share of the transpacific trade will soon drop below **1%** from a peak of **5%** in December 2022.
- The "*World Container Index*" declined by another significant amount this week and is down by **↓3,5%** (or **\$56**) to **\$1 536** per 40-ft container this week.

¹ GEP. 13/06/2023. [Sharper deterioration in global demand for raw materials and components sees spare capacity at suppliers rise further in May.](#)

² Bloomberg. 19/06/2023. [Global trade needs some help as China stumbles: Bloomberg Trade Tracker.](#)

³ Linerlytica. 19/06/2023. [Market Pulse – Week 25.](#)

⁴ Drewry. 09/06/2023. [Cancelled Sailings Tracker - 23 June.](#)



- Other developments included **(1)** controversy in the US, as Senator says striking dock unions should pay **\$2 billion** a day, and **(2)** many ships targeted for engine retrofits to offset emissions.

vi. Local air industry

- The daily average volume of air cargo handled at ORTIA the previous week amounted to **430 173 kg** inbound and **275 375 kg** outbound, resulting in an average of **705 548 kg per day** or **~92%** compared with June 2022.
 - However, the level is currently at only **~78%** compared with the same period pre-pandemic in 2019; however, there has been a slight uptick in export cargoes recently, which is a positive sign, and we hope it signals the start of a trend!
- The average domestic air cargo moved last week was **~52 448 kg** per day, up by **↓5%** compared to the previous week and slightly up compared to last year (**~90%**).

vii. International air industry

- After a continuation of weak tonnages and low rates, the sentiment in the global air cargo industry has slightly improved.
 - The gap between global air cargo tonnages this year and the equivalent period in 2022 has narrowed to just **↓4%** in the first two full weeks of June, down from **↓6%** at the end of May, **↓10%** in April, and **↓11%** in the first quarter.
 - At the same time, average rates in May and June have stabilised at around **↓37%** below their level this time last year, according to the latest weekly figures from World ACD.
- Weekly metrics indicate no change in chargeable weight this week, with freight rates edging up to around **\$2,40 per kilo** in week 24, as capacity slightly increased in the last five weeks (**↑5%**).
- In other air cargo news, Dutch cargo associations warned about the government's plan to reduce slots at Schiphol Airport, calling it overly political and potentially illegal⁵.
 - Research commissioned by the airport revealed that reducing slots from **500 000** to **440 000** would lead to a **↓29%** decrease in cargo volumes and a **↓60%** fall in freighter numbers.

⁵ Lennane, A. 23/06/2023. [Warning to Dutch government over Schiphol Airport slot reduction plan.](#)